Action against companies engaged in contract farming

†1119. SHRI MOTILAL VORA: Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that contract farming is banned in the country;

(b) whether Government are aware that various companies are involved in the work relating to contract farming in different parts of the country for last many years;

(c) if so, what steps Government have taken to identify the culprit companies and to take action against them; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV): (a) No, Sir.

(b) Contract farming arrangements of different types have existed in the various parts of the country for centuries for both subsistence and commercial crops. The commercial crops like sugarcane, cotton, tea, coffee etc. have always involved some forms of contract farming. Even In the case of the some fruit crops and fisheries, contract farming arrangements, involving mainly the forward trading of commodities have been observed. Contract farming is becoming an increasingly important aspect of agribusiness, whether products are purchased by multinationals or by smaller companies. There are few success stories on contract farming such as Pepsico India in respect of potato, tomato, groundnut and chilli in Punjab, Safflower in Madhya Pradesh, oil palm in Andhra Pradesh, seed production contracts for hybrids seed companies etc. which helped the growers in realization of better returns for their produce. Other success stories of contract farming are milk procurement by Amul and NDDB.

(c) and (d) Since there is no ban on contract farming in the country, the question of taking action against contract farming companies does not arise.

Pesticides residue in food commodities

1120. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of AGRICULTURE be pleased to state:

---

† Original notice of the question was received in Hindi.